

**City Light Advisory Board Meeting
June 15, 2004, 8:30am – 1:30 pm
Boards & Commissions Conference Room
MEETING SUMMARY**

Board members present: Don Wise, Jay Lapin, Randy Hardy, Sara Patton, Carol Arnold

Also present: Jorge Carrasco (Superintendent City Light), Joan Walters, Jim Ritch, Dana Backiel, Carol Everson, Alice Ekman, Nancy Glaser, Jim Harding (City Light), Tom Van Bronkhorst, Carol Butler (Legislative), Thomas Dunlap, (Department of Finance), Alec Fiskien, Julie Tobin (Office of Policy & Management)

New Advisory Board Member Status

Five potential candidates are being considered by Councilmembers. Tom Van Bronkhorst will forward the names to Don Wise, who will arrange meetings between the selected candidates and Advisory Board. The goal is to have a candidate for recommendation to the EEP Committee on July 14.

Superintendents Update

- The Weather Report - handout attached.
- Nucor - brief overview of current situation.
- Employee survey - Facilitation teams and consultants held over 14 workgroup sessions and over five management pre-meetings. Feedback from facilitators has been encouraging.
- Okeson – brief overview of current situation.
- Environmental Learning Center – The agreements have been reached with a good long-term outcome.

Board Response to City Light Organizational Priorities

Board members thanked the Superintendent and the City Light executive team for putting together a great document and expressed their strong support for implementation.

In general the Board recommended that:

1. The Superintendent carries out a systematic assessment to ensure the utility's planning, human resource and financial functions have the resources to implement the priorities, i.e. the talent, skills, expertise and technical resources and systems. This should be an early priority with outside consulting.
2. Ensure all components are integrated into a single long term plan. Refresh the planning process annually so that the long-term plan is an organic document rather than a stand alone tome.
3. Ensure process in place for all to buy in to "15 percent below investor owned utilities" target for City Light rates.

The Board made the following comments on specific priorities.

Priority 2. To ensure City Light is competitive in the industry, and enhance recruitment, compensation levels for critical positions should be reviewed. The Board recommended incorporating a salary review into the work plan and offered to help on this issue.

Priority 3. City Light has done well in the area of environment and safety but should not overlook opportunities to do better. These are areas of expertise that need to show up throughout City Light processes, such as risk management and boundary re-licensing. Sara Patton and Jay Lapin are working to pull together a briefing on the issue.

As part of the Transmission and Distribution Capacity plan City Light should assess whether the level of reliability provided to its customers is acceptable. City Light staff will define the existing level to get sense of industry standard and will present a recommendation for changes as part of the budget process

The Board would like to see the 95 percent policy explicitly listed in the Integrated Resource Plan. The Board recommended moving as quickly as possible on item 32: Improve power planning & optimization systems.

Bonneville Power Administration (BPA) Resource Issue

BPA is reviewing its long term power marketing role after 2006. The current plan is to issue a draft policy proposal and a public hearing is tentatively scheduled for August 17. There are many issues to be addressed that may affect City Light, such as availability of power and bringing stability to cost of that power. Randy Hardy gave an overview of the highest priority issues. Due to time constraints this topic will be brought back to the to the July meeting to discuss whether the Board should take a formal position. It was agreed that it was important that the Mayor and the EEP get briefed on this issue.

Regional Transmission Entity

The Board sub group will further discuss whether to make a formal recommendation on City Light participation in Grid West and circulate a draft recommendation to the Board, Superintendent and Alec Fiskien. The draft recommendation will be further discussed at the July meeting.

Boundary Re-licensing Report (Nancy Glaser, Barbara Green)

See handouts.

The Board supports the City Light recommendation and asked to be kept apprised of any arising difficulties.

Klamath mini-IRP Process Report

Randy Hardy and Sara Patton gave a brief overview. The issue will be brought back to the next meeting.

Report on Process and Procedures for Amending Financial Policy

The financial policies are not yet ready to be amended. Prior to the July meeting Carol Everson will circulate a draft for review and comment to the Board sub group and Executive staff, and bring a draft incorporating those comments to the July meeting.

Summary of Follow-up Items

- Draft recommendation on regional transmission entity and circulate for review– Randy Hardy/Sara Patton
- Draft financial policies and circulate for review – Carol Everson

Items for July Meeting Agenda

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| • Inter agency payments/Capital Improvement Project costs (15 min)
Possible recommendation on board developing a policy | Carol Everson/Betty Tobin |
| • Financial Policies | Carol Everson |
| • Candidate Utilities and Scope for Governance Best Practices Study | Jay Lapin |
| • Regional Transmission Entity | Randy Hardy/Sara Patton |
| • BPA resource issue | Randy Hardy/Sara Patton |
| • Report schedule for outreach activities | Carol Arnold/Sara Patton |
| • City Light Organizational Priorities – Mayor's perspective | Alec Fiskien |